

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF GEORGIA
MACON DIVISION**

ROGER PARKER, on his own behalf and on
behalf of others similarly situated,

Plaintiff,

v.

PERDUE FOODS, LLC,

Defendant.

CIVIL ACTION
NO. 5:22-CV-00268-TES

DECLARATION OF MICHAEL LEVENGOOD

I, Michael Levengood, hereby declare and state under penalty of perjury as follows:

1. I am over the age of eighteen years and am competent to testify regarding the facts detailed herein.

2. I am not a party to the above-entitled matter and provide the following testimony without remuneration for the same.

3. I am currently the Vice President, Chief Animal Care Officer and Farmer Relationship Advocate for Perdue Foods LLC ("Perdue"). I have held this position since approximately the beginning of 2016. In this position, I am generally responsible for meeting with the independent contractor growers (also referred to as farmers) Perdue contracts with and talking about how the company can improve communications with them, getting their perspective on various aspects of the business, and serving as the liaison with the company on the same, among other things.

4. In connection with my position and my given experience with Perdue in my current position and previous positions, I have personal knowledge of the nature of Perdue's business and

relationship with its growers. I also have access to data showing the number of complexes Perdue operates that independent growers support through their farming operations, the states in which the complexes are located, and the number growers who have contracted with Perdue from July 2019 to the present.

5. Perdue is an integrated poultry producer with approximately eleven complexes throughout the country located in nine different states. This includes a complex in: (1) Perry, Georgia, supported by growers in Georgia; (2) Lewiston, North Carolina, supported by growers in North Carolina and Virginia; (3) Rockingham, North Carolina, supported by growers in North Carolina and South Carolina; (4) Cromwell, Kentucky, supported by growers in Kentucky; (5) Dillon, South Carolina, supported by growers in North Carolina and South Carolina; (6) Milford, Delaware, supported by growers in Maryland, Delaware and Pennsylvania; (7) Accomac (also referred to as DMV South), Virginia, supported by growers in Virginia, Maryland, and Delaware; (8) Petaluma, California, supported by one contract grower and company-owned farms in California; (9) Draper Farms in Washington, supported by sixteen contract growers and other company-owned farms in Washington; (10) Salisbury, Maryland, supported by growers in Maryland and Delaware; and (11) Georgetown, Delaware, supported by growers in Delaware and Maryland.

6. Within this integrated operation, Perdue owns hatcheries and breeding flocks and delivers its chicks to independent contract growers across the United States who are then responsible for raising the chickens to the desired weight on their own farms. These growers, who support the various complexes, provide the land, facilities, equipment and labor to raise the chicks, using their discretion on how to do so given their experience in the industry and knowledge base.

7. Growers can support multiple different complexes with their farming operations and raise different types of chickens. For example, growers can grow birds for the Rockingham complex and then could take another flock afterwards for the Dillon complex. If they do so, they would be subject to two different sets of Payment Schedules. Growers in Delaware, for example, could grow for three different complexes—the Salisbury complex, Georgetown complex, and the Accomac complex at different times. Each complex has a different Payment Schedule because these complexes grow different sizes of birds. The same complex may even use different Payment Schedules depending on the type of bird grown. Further, each complex has its own set of flock advisors who are responsible for serving as the liaison with the growers and providing recommendations on best practices for raising their chickens.

8. Growers can also be subject to different equipment standards and different individualized local practices that vary by complex, including for how performance and contract compliance issues are handled. Growers on the West Coast and growers of organic birds, for example, are not subject to a formal Performance Improvement Plan (“PIP”) program. This PIP program can also be turned on and off at the discretion of local management at locations where it applies.

9. The type of bird may also impact the policies and procedures to which a grower is subject. Growers of organic birds, for example, are subject to different certification requirements and audit standard given the differences involved with growing this type of bird and various steps necessary to become organic certified. Growers in Petaluma, Draper Valley, and Milford grow organic birds and are subject to different contracts.

10. As part of my duties in my current position, I have access to various reports, which Perdue generates in the ordinary course of business, which list the number of independent growers

(who we also refer to as farmers) with whom Perdue has contracted over the years. We house these reports in a database we refer to as our M-Tech Database, which is where we store all data regarding growers we contract with, where their farms are located, their contract dates, and where they settle each week in the tournament system, discussed more fully below. The M-Tech system is also an ERP system through which we pay farmers.

11. The M-Tech system also contains what we refer to as “Active Farmers,” which is a report containing a listing, by month and then cumulatively by year, of the current number of farms and farm square footage. Then, I keep my own spreadsheet that contains information such as: (1) farmer retention; (2) farmers who retired; (3) new farmers into the industry; (4) farms that were picked up by competitors, and (5) farms that were lost due to fire or other natural disasters, among other things. This information is stored in a sharepoint site. Local management for each of the complexes inputs all of the applicable information into both systems in the ordinary course of business. The accounting department at Perdue’s corporate offices has access to all master data regarding farmer operations that is inputted into M-Tech at the local level, and I can access my spreadsheet with this additional information as well.

12. At my direction, the accounting department went into the M-Tech database and pulled the “Active Farmers” by year for the time period of 2019-2023. I reviewed and analyzed those reports. Using each year-end summary from my report, I calculated the number of growers with whom Perdue has contracted by year. Because several growers own multiple farms and the database contains the number of farms and active contracts, I (with the accounting department’s assistance) backed out any duplicate farms owned by the same person to get a total number of growers for each year. I then added to that number the new growers who joined the industry in

each year to get a cumulative total number of growers who contracted with Perdue at any time from July 2019 to the present.

13. Based on this analysis, we determined that approximately 1,345 growers have been under contract with Perdue at one point or another from July 2019 to the present. This includes approximately 243 growers supporting the Lewiston, NC complex and approximately 121 farmers supporting the Perry, GA complex.

14. In my role as Vice President, Chief Animal Care Officer and Farmer Relationship Advocate, I also coordinated a survey that we sent to all independent growers across the country in 2021. We started with growers supporting Rockingham and then later rolled this out to all other growers in the Summer of 2021. The purpose of the survey was to gain a better understanding of the various business practices of our growers. The survey contained a number of different questions, including whether the independent grower: (1) hired employees or helpers to assist with their farms; (2) hired employees to operate their farms for them completely; (3) operated outside businesses or whether chicken farming was their primary income; or (4) engaged in “diversified farming” on their farms such as growing grain, other produce, or other livestock at the same time as growing chickens or having outside businesses. Perdue had the flock advisors coordinate with the growers to complete the surveys. Then, the flock advisors uploaded the results of the surveys for their growers onto their complex-specific folder I had set up on One Drive. The goal of the survey was to get all responses by October 1, 2021 and then have someone summarize the results.

15. Through the survey, we were able to capture responses from approximately 92% of the growers or 1239 of them total. Of those 92% of growers who responded, 55% of them have hired helpers or employees to assist them with their chicken farming operations. Seventy percent of them had raising chicken as their primary farming income. At least 50% of our farms are

diversified, which means they also own other businesses, raise other livestock, grow grain or grow other produce, among other things. The survey also revealed that 15% of our growers do not care for the birds personally but rather hire someone else or several employees to run the farms for them.

16. We allow growers to raise any other livestock or grow any other produce they want to on their farms, either on their own or through contracting or working with other companies, so long as they are not growing or raising other poultry for other integrators at the same time. This restriction is necessary from a biosecurity perspective so there is no cross contamination between the birds. When growers end their contracts with Perdue, they remain free to grow for any chicken or poultry company without restriction.

17. Some growers, like growers of Cornish poultry, are paid based on a flat-rate system. However, most growers are paid under what we refer to as a “tournament system.” We refer to the payments they receive as a “settlement payment.” Under the tournament system, we first determine a “base payment rate.” This varies by location and by the type of bird and is set forth in the Payment Schedules. Growers receive a payment based on their flock performance plus additional items set forth in the Payment Schedules. These additional payment items can vary from location to location, by type of bird and over time, and include things like tier payments, audit readiness, energy supplements, heating, and fuel. New house agreements also have additional incentives and payment terms.

18. The tournament pay works by calculating a contract average cost for the week a grower moves all their birds to the harvest plant. To do this, we take all of the farms that we bring into harvest plant at once (birds that move between Saturday and Sunday) by contract location and get their total farm weight in pounds of birds, chicks delivered, pounds of feed used, and gallons

of fuel used (if applicable) at a standard cost to get an average cost for the week. Then we go to each grower and calculate their cost for raising chickens that week, using their farm weight, pounds of feed used, chicks delivered, and fuel used if applicable at the same standard cost. Growers (for all areas except Milford, organic) experience 100% gain or loss under the tournament system depending on where their costs lie compared to the average cost. Growers who grow organic birds for Milford experience a 50% gain or loss depending on where their costs lie compared to the average. In other words, if the growers' costs settle better than average (lower cost of production than average), the grower gets that additional amount above the base pay in the contract (or 50% of that additional amount for Milford organic). If a grower lands below the average (higher cost of production than average), the difference is deducted from the base pay (or 50% of the difference for Milford organic). No matter where the grower lands with their costs, they get at least the base contract payment minimum.

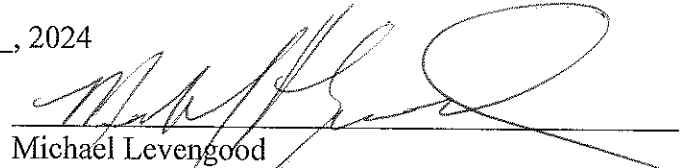
19. Growers who enter into New House Agreements, whereby they agree to build and use a new house in exchange for various incentives, will receive payment of a guaranteed minimum no matter where they settle. And, if they get more than minimum, they get that.

20. Growers who raise the birds most efficiently managing fuel, feed conversion and mortality and grow birds at the least cost will maximize their payments under the tournament system. Things that help growers increase their pay and profits are to use better management practices to raise the birds, make improvements to their houses to allow the birds to grow more efficiently, and use upgraded equipment, which can necessarily allow them to make more money and profits. A true and accurate copy of the power point explaining the Settlement Process, which we use with growers as an educational tool, is attached hereto as Attachment 1.

21. In connection with my position, I have reviewed the grower file for Roger Parker in this case. True and accurate copies of the Payment Schedules to which he was subject with both of his two farms are attached hereto as Attachment 2.

Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury that the foregoing is true and correct according to my personal knowledge and, if called as a witness, I could and would testify truthfully thereto.

Dated January 18, 2024


Michael Levengood

Attachment 1

THE SETTLEMENT PROCESS

How a settlement is calculated and...
how to use the information.



TO COVER TODAY

- Flock payments and weekly performance calculations.
- Competitive contracts and incentive pay.
- Settlement information.
- Analyzing flock performance.
- Questions.



SETTLEMENT PAYMENTS – THE BASE PAYMENT RATE

- Settlement payments begin with a Base Payment rate.
- Base Payment rates vary by location based upon bird program differences.
- Bird program examples;

Small	4.25 lbs.	34 days
Roaster	9.00 lbs.	60 days
- Your Producer Payment Schedule defines your Base Payment Rate.



OTHER SETTLEMENT PAYMENTS

- The total settlement payment includes the Base Payment Rate plus additional payments.
- Additional payments can be specific to an area.
- Examples of added payments;
 - Tier payments.
 - Audit Readiness Bonus Payments.
 - Energy Supplements.
 - Heating Fuel Supplements.
 - New House Agreements.
- Details are listed in the Producer Payment Schedule.



HOW IS A SETTLEMENT CALCULATED?

- Starts with a producer number and a flock number (1111-1).
- The settlement is built from beginning to end.
- Chicks delivered are charged to the flock.
- Feed deliveries and any feed credits are charged to the flock.
- Flock weight tickets are entered.
- Fuel usage is entered.
- Chick cost, feed cost and fuel cost is standardized for all settling farms. Typical chick cost is \$.30, feed cost is \$300 per ton and fuel is \$1.00 per gallon.
- The system uses automated processes where possible. Manual entries are minimized.



A SETTLEMENT WEEK - THE CONTRACT AVERAGE CALCULATION

- Includes all flocks that complete harvest Saturday at midnight through the following Saturday to midnight.
- A total cost per pound from all settling farms is calculated;

• Chicks	914,600 placed x \$.30 =	\$	274,380
• Feed	9,468,600 lbs./2000 x \$300 =		1,420,290
• Fuel	Gallons used x \$1.00 =		+ <u>0</u>
• Adjusted Prime Cost \$ =		\$	1,694,670
• Total pounds moved			5,462,380
• Adjusted Prime Cost \$ / Total pounds moved =			
• Week's Adjusted Prime Cost/pound		\$	<u>.3102</u>



INDIVIDUAL FARM COST CALCULATION

- Calculate a cost per pound for each individual settling farm.
- Cost calculation for Farm A;

• Chicks	72,700 placed x \$.30 =	\$ 21,810
• Feed	767,460 lbs./2000 x \$300 =	115,119
• Fuel	Gallons x \$1.00 =	+ <u>0</u>
• Adjusted Prime Cost \$ =		\$ 136,929
• Total pounds moved		449,170
• Adjusted Prime Cost \$ / Total pounds moved =		
• Adjusted Prime Cost/pound		\$ <u>.3048</u>



THE NEXT STEP – COST COMPARISON

- We have a cost per pound for the entire settlement week.
- We have a cost per pound for each settling farm.
- Now must calculate how each farm compares to the average cost for the week.
- **Adjusted Prime Cost Rating** or **APC Rating**.



HOW TO DETERMINE ADJUSTED PRIME COST RATING

Week's average Adjusted Prime Cost \$.3102

Farm A Adjusted Prime Cost \$.3048

$$.3102 - $.3048 =$

Adjusted Prime Cost Rating for Farm A \$.0054

The cost to produce was \$.0054 lower than the week's average.



A SETTLEMENT WEEK – APC RATING

	<u>APC</u>	<u>APC Rating</u>
Farm A	\$.3048	\$.0054
Farm B	\$.3063	\$.0039
Farm C	\$.3074	\$.0028
Farm D	\$.3102	\$.0000
Week's Adjusted Prime Cost	\$.3102	
Farm E	\$.3111	- \$.0009
Farm F	\$.3141	- \$.0039
Farm G	\$.3153	- \$.0051
Farm H	\$.3158	- \$.0056



LET'S ANALYZE ADJUSTED PRIME COST

What is the biggest influence on Adjusted Prime Cost and APC Rating?



WHAT INFLUENCES FARM COST & APC RATING?

• Total farm cost (Farm A prior example)	\$136,929	
• Chick cost	\$21,810	16%
• Feed cost	\$115,119	84%
• Fuel cost	\$ 0	0%



WHAT ABOUT THE IMPACT OF FUEL?

• Total farm cost (Farm A prior example)	\$143,232	
• Chick cost	\$21,810	15%
• Feed cost	\$115,119	80%
• Fuel cost	\$ 6,303	4%



WHAT IS MOST IMPORTANT TO COST?

- Feed efficiency – Use feed efficiently. Produce the most pounds with the least feed.
- Livability is important because it influences total pounds produced.
- If fuel is added, feed cost will still be 80% or more of the total.
- Livability or head count inaccuracy does not impact cost per pound because all calculations are based on *total pounds*.
- Important to success – Environment, flock comfort, program compliance, equipment efficiency, health, etc.



IT'S A COMPETITIVE CONTRACT THAT OFFERS INCENTIVES TO INCREASE EARNINGS

- Effort.
- Efficient housing (ventilation, fuel efficiency).
- Upgraded equipment.
- Rewards investments, especially those that can improve feed efficiency.



INCENTIVE PAY EXAMPLE – FARM A

Contract payment = Pounds produced x Base Payment plus APC Rating

Farm A produced 449,170 lbs.

Base Payment = \$.0465

Adjusted Prime Cost Rating = \$.0054

Total payment rate = \$.0465 + \$.0054 = **\$.0519**

449,170 lbs. x **\$.0519** = \$23,312

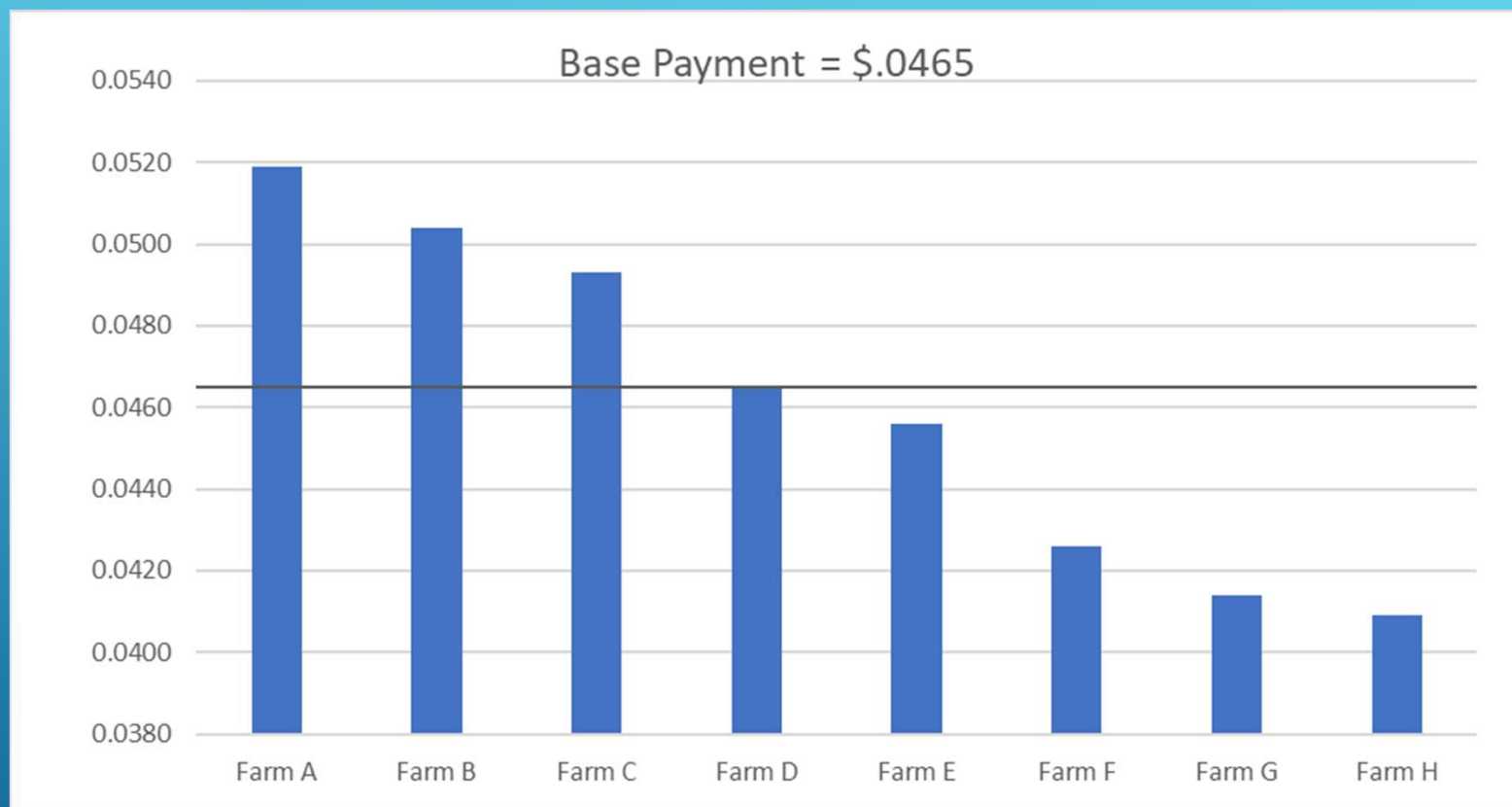
Performance incentive \$ = 449,170 lbs. x \$.0054 = \$2,426



HOW DOES THE INCENTIVE SYSTEM WORK?

- A contract pays out the Base Payment.
- Individual farms can get more than the Base Payment, others can get less than the Base Payment.





TOTAL FLOCK PAYMENT WILL INCLUDE ADDITIONAL FLOCK PAYMENTS

- Tier Payments – Payments made for defined levels of housing upgrading.
- Audit Readiness Bonus – An incentive payment for following the Process Verified Programs.
- Energy Supplements – Payments made to assist during times of higher energy costs.
- Heating Fuel Supplements – Payments made to assist with heating fuel costs.



HOW CAN I USE THE SETTLEMENT INFORMATION TO HELP ME?

- Verify the numbers (chicks placed, feed pounds and live weight pounds).
- Verify additional payments.
- Verify deductions.

If there are questions, your flock advisor can help you.



RSETTLE: GROWER PAY SUMMARY

SETTLEMENT WEEK 2/28/2021

Version 0



CONTRACT #

GROWER # - FLK #

GROWER

ADDRESS

FIRST DATE PLACED	01/08/21	NUMBER PLACED	127,200
LAST DATE MOVED	02/24/21	NUMBER MOVED	120,710
WEIGHTED AVG AGE	47	% LIVABILITY	94.90
GROSS LBS MOVED	781,300	AVERAGE WEIGHT	6.47
FUEL GALLONS	0.00	AVG GAIN/DAY	0.1377
ADJUSTED LBS MOVED	781,300		

CONDEMNATION SUMMARY	WEIGHT	PERCENT	CONTRACT AVG %
Airsacculitis	142	0.02	0.02
IP	233	0.03	0.04
Leukosis	0	0.00	0.00
Other	485	0.06	0.04
Sept Tox	854	0.11	0.13
TOTAL CONDEMNATION	1,715	0.22	0.23

FEED CONSUMED	PERCENT	POUNDS
PRE STARTER	13.4718	184,020
GROWER II	32.1547	439,220
BROILER WITHDRAWAL I	54.3735	742,720
TOTAL FEED		1,365,960
FINAL RETURNS		-78,160
FEED CONVERSION		1.7483

FLOCK COST SUMMARY	AMOUNT	PER-LB	AVG
FEED	204,894.00	0.2622	
CHICKS	38,160.00	0.0488	
FUEL	0.00	0.0000	

FARM COST	243,054.00	0.3111	0.3102
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APC RATING	-0.0009
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PAYMENTS	AMOUNT	PER-LB
BASE PAY	36,330.45	0.0465
APC INCENTIVE	(703.17)	(0.0009)

TOTAL DEDUCTIONS	(30,520.50)
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NET PAY	27,221.31
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SETTLEMENT WEEK 0.00 Version 0
 CONTRACT #
 GROWER # - FLK #
 GROWER

PAY ADJUSTMENTS	AMOUNT	MEMO
Audit Readiness Pay	760.32	
Free Range Pay	3,960.00	
Premium Housing Tier Pay	4,107.84	
Rest Pay	1,171.95	
WINDOW SUPP	2,838.52	
Adjustment to Pay	9,275.90	Heating Fuel Supp
TOTAL	22,114.53	

DEDUCTIONS

Date	Invoice	Description	Amount	Balance Due
02/28/2021	2200	HOUSING WINDOWS	-2,470.50	17,295.00
02/28/2021	2384	FIRST FINANCIAL BANK FSB	-28,050.00	0.00
			-30,520.50	17,295.00

PAY ADJUSTMENT CALCULATIONS

Name	Date Started	Birds Placed	Hous	Tier	Weight Sold	SQ FT	Days	Rate	Calculated Tot	Payment Amt	Balance Due
Audit Readiness Pay	1/1/0001				781,300			0.000150	0.00	760.32	0.00
Free Range Pay	1/1/0001				781,300	105,600		0.037500	0.00	3,960.00	0.00
Premium Housing Tier Pay	1/1/0001		01	4		26,400		0.038900	0.00	1,026.96	0.00
Premium Housing Tier Pay	1/1/0001		02	4		26,400		0.038900	0.00	1,026.96	0.00
Premium Housing Tier Pay	1/1/0001		03	4		26,400		0.038900	0.00	1,026.96	0.00
Premium Housing Tier Pay	1/1/0001		04	4		26,400		0.038900	0.00	1,026.96	0.00
Rest Pay	1/1/0001				781,300			0.001500	0.00	1,171.95	0.00
WINDOW SUPP	4/3/2019		01			26,400	48	0.000560	0.00	709.63	9,751.11
WINDOW SUPP	4/3/2019		02			26,400	48	0.000560	0.00	709.63	9,751.11
WINDOW SUPP	4/3/2019		03			26,400	48	0.000560	0.00	709.63	9,751.11
WINDOW SUPP	4/3/2019		04			26,400	48	0.000560	0.00	709.63	9,751.11

NEW HOUSE AGREEMENT CALCULATION

House No	Rate	Prod Weeks	SQ FT	NHA Amount	Contract Rate	Contract Pay	Payment Amount
01	0.3450	6.857143	26,400	9,108.00	0.34847756	9,199.8075	0.00
02	0.3450	6.857143	26,400	9,108.00	0.34847756	9,199.8075	0.00
03	0.3450	6.857143	26,400	9,108.00	0.34847756	9,199.8075	0.00
04	0.3450	6.857143	26,400	9,108.00	0.34847756	9,199.8075	0.00



THE VERTICAL LISTING ON THE SETTLEMENT

- The last page of your settlement contains a vertical listing of the past 6 flocks.
- The trends can be helpful in analyzing performance.
- Is my feed conversion generally lower or higher?
- Is my weight generally heavy or lighter than those I settle with?
- What are my livability trends?
- How are my flock condemnns?



SETTLEMENT WEEK
CONTRACT #
GROWER # - FLK #
GROWER

Version 0

6 Flock Average

Contract		322	322	322	322	322	322
Complex Entity No		5863-9	5863-8	5863-7	5863-6	5863-5	5863-4
Date Placed	30	10/29/2020	8/17/2020	6/11/2020	3/27/2020	1/17/2020	11/7/2019
Date Moved	30	12/16/2020	10/1/2020	7/28/2020	5/14/2020	3/4/2020	12/24/2019
Ranking		7/8	4/7	6/10	3/6	4/7	6/8
Livability	94.42	95.33	96.66	94.28	93.39	92.42	94.46
Week 1 Mortality	1.5	1.7	0.8	1.1	1.1	2.6	2.0
APC Rating	-0.003550	-0.010800	-0.004200	-0.002900	-0.001400	0.001200	-0.003200
Age	47	48	45	47	48	47	47
+ Avg Contract Age	0	-1	1	0	0	0	0
Weight Gain Per Day	0.1355	0.1366	0.1389	0.1378	0.1305	0.1374	0.1320
Avg Weight	6.37	6.56	6.25	6.47	6.27	6.46	6.20
Avg Weight Rating	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Feed Conversion	1.7654	1.7935	1.7189	1.7203	1.8231	1.7567	1.7797
Feed Conversion Rating	-0.0030	-0.0089	-0.0027	-0.0025	-0.0001	0.0003	-0.0040
Fuel Cost per LB	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fuel Cost Rating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fuel Gallons per 1000 Placed	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Farm Condemnation	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000



HOW DID MY FLOCK DO?

- The Settlement Insert Sheet is a good summary.
- It gives a look at how your flock compared to the other flocks in the same settlement week.
- There are key numbers listed in the Insert Sheet that influence flock performance.



	Rank	Pounds Moved	Liv %	AVG Weight	Feed Conversion	APC Rating	Cost Per Unit	Chicks / LB	Feed / LB	Fuel / LB
1	1	449,170	95.81	6.45	1.7086	0.54	30.48	4.86	25.63	0.00
2	2	1,521,660	92.09	6.60	1.7127	0.39	30.63	4.94	25.69	0.00
3	3	432,760	94.92	6.31	1.7150	0.28	30.74	5.01	25.73	0.00
4	4	445,660	95.89	6.12	1.7273	0.00	31.02	5.11	25.91	0.00
5	5	781,300	94.90	6.47	1.7483	-0.09	31.11	4.88	26.22	0.00
6	6	472,940	94.93	6.89	1.7883	-0.39	31.41	4.59	26.83	0.00
7	7	556,511	94.59	6.40	1.7711	-0.51	31.53	4.96	26.57	0.00
8	8	802,381	95.38	5.54	1.7269	-0.56	31.58	5.68	25.90	0.00
Weekly Averages		5,462,382	94.34	6.33	1.7334		31.02	5.02	26.00	0.00



WEIGHT ADJUSTED FEED CONVERSION

- Adjust feed conversion to a standard weight.
- Makes an apples to apples comparison between farms of different weights.
- .10 lbs. of weight is worth approximately 1 point of feed conversion.
- Example;
 - Week's average 1.733 6.33
 - Farm A average 1.709 6.45
 - 6.45 lbs. - 6.33 lbs. = .12 lbs.
 - .12 lbs. / 10 = .012
 - Farm A = 1.709 - .012 = **1.697 Adjusted feed conversion** or about .036 points of feed conversion better than the weekly average.



Complex Entity No	APC	APC 6	Feed Conversion	Avg Weight Sold	Wt. to 6.00	Wt. Adj. FC	Avg Wt Gain Per Day	% Livability
	0.0054	0.0033	1.7104	6.44	0.44	1.666	0.1400	95.81
	0.0039	0.0014	1.7127	6.60	0.60	1.653	0.1404	92.09
	0.0028	-0.0023	1.7150	6.31	0.31	1.684	0.1371	94.92
	0.0000	-0.0014	1.7273	6.12	0.12	1.715	0.1361	95.89
	-0.0009	-0.0036	1.7483	6.47	0.47	1.701	0.1377	94.90
	-0.0039	-0.0013	1.7883	6.89	0.89	1.699	0.1435	94.93
	-0.0051	0.0034	1.7732	6.39	0.39	1.734	0.1359	94.59
	-0.0056	-0.0023	1.7273	5.54	-0.46	1.773	0.1231	95.38
CONTRACT AVERAGE			1.7338	6.33	0.33	1.701	0.1368	94.34



AVERAGE WEIGHT GAIN PER DAY

- Average weight divided by flock age.
- Farms with higher weight gains generally perform better than those with lower weight gains.
- Higher weight gains are an indication that farm conditions were ideal and the conditions helped the flock meet its' genetic potential.
- Your Flock Advisor can help with the question “How did my weight gain compare to others I settled with?”



Complex Entity No	APC	APC 6	Feed Conversion	Avg Weight Sold	Wt. to 6.00	Wt. Adj. FC	Avg Wt Gain Per Day	% Livability
	0.0054	0.0033	1.7104	6.44	0.44	1.666	0.1400	95.81
	0.0039	0.0014	1.7127	6.60	0.60	1.653	0.1404	92.09
	0.0028	-0.0023	1.7150	6.31	0.31	1.684	0.1371	94.92
	0.0000	-0.0014	1.7273	6.12	0.12	1.715	0.1361	95.89
	-0.0009	-0.0036	1.7483	6.47	0.47	1.701	0.1377	94.90
	-0.0039	-0.0013	1.7883	6.89	0.89	1.699	0.1435	94.93
	-0.0051	0.0034	1.7732	6.39	0.39	1.734	0.1359	94.59
	-0.0056	-0.0023	1.7273	5.54	-0.46	1.773	0.1231	95.38
CONTRACT AVERAGE			1.7338	6.33	0.33	1.701	0.1368	94.34



LIVABILITY

- Total head moved divided by total head placed.
- Can influence cost due to total pounds moved.



Complex Entity No	APC	APC 6	Feed Conversion	Avg Weight Sold	Wt. to 6.00	Wt. Adj. FC	Avg Wt Gain Per Day	% Livability
	0.0054	0.0033	1.7104	6.44	0.44	1.666	0.1400	95.81
	0.0039	0.0014	1.7127	6.60	0.60	1.653	0.1404	92.09
	0.0028	-0.0023	1.7150	6.31	0.31	1.684	0.1371	94.92
	0.0000	-0.0014	1.7273	6.12	0.12	1.715	0.1361	95.89
	-0.0009	-0.0036	1.7483	6.47	0.47	1.701	0.1377	94.90
	-0.0039	-0.0013	1.7883	6.89	0.89	1.699	0.1435	94.93
	-0.0051	0.0034	1.7732	6.39	0.39	1.734	0.1359	94.59
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CONTRACT AVERAGE			1.7338	6.33	0.33	1.701	0.1368	94.34



WHAT SHOULD I DO IF I DON'T UNDERSTAND MY SETTLEMENT?

- Have a conversation with your Flock Advisor.
- You may have a question about a number, or a question about the results.
- Use the Settlement Vertical Summary to look for trends.
- Use the Settlement Insert Sheet to analyze your results versus others.
- Controllers offer information. Look at temperature histories, daily water consumption, heater run time.



WHAT QUESTIONS SHOULD I ASK MY FLOCK ADVISOR SO I CAN IMPROVE?

- What did you see that could have made my last flock perform better?
- What is the one thing I can adjust to improve my performance?
- How can I improve my daily weight gain?
- What can I do to be more fuel efficient?



FREQUENTLY ASKED QUESTIONS

- How is flock age calculated?

Age is calculated by house to make payments that involve an age calculation. Placement day is day 0 and the count continues through harvest day.

- Are unit costs for chicks, feed and fuel the same for all farms?

Yes. Chick costs, feed costs and fuel costs are standardized for a contract so there are no advantages, or disadvantages, to the cost calculations. Typical chick cost is \$.30 per chick, feed cost is \$300 per ton and fuel cost is \$1 per gallon.

- Are catch counts used for average weight calculations?

No. A producer head count is used. Flock Advisors upload daily mortality from the mortality cards to give the most accurate final head counts for each house.



FREQUENTLY ASKED QUESTIONS

- Does average weight impact flock payment?

No. Flock costs and flock payments are based on the total farm weight moved, so the average weight does not impact payment amounts.

- Does livability and head count impact flock payment?

No. Total pounds are used for cost and payment calculations. However, we do use producer head count for accuracy in place of using a catch count.

- Why can the last farm weight ticket have an unusual average weight?

The last weight ticket will use an adjusted head count to match the total birds scheduled to be caught from the farm.

Example; 80,000 scheduled to be caught. 75,000 have been caught with all loads complete except the last. The last load will show 5,000 head to make the total catch number equal the scheduled catch number.



FREQUENTLY ASKED QUESTIONS

- How can I get help with my settlement?

Your flock advisor can help with any settlement questions you have.
Please don't hesitate to ask.



HOPE YOU ENJOYED!



Attachment 2

(Being filed under Seal)